

Role of Industrialization in India

A. Overcoming Deterioration in the Terms of Trade :- underdeveloped countries.

like India need industrialization to free themselves from the adverse effects of fluctuations in the prices of Primary Products and deterioration in their terms of trade. Such countries mainly export Primary Products and import manufactured goods. The prices of manufactured products have been rising. This led to deterioration in the terms of trade of the LDCs. For economic development such countries must shake off their dependence on primary products. They should adopt import substituting and export oriented industrialization.

B) Absorbing Surplus Labour (Employment Generation) :- underdeveloped countries like India are characterized by surplus labour and rapidly growing population. To absorb all the surplus labour, it is essential to industrialise the country rapidly. It is the establishment of industries alone that can generate employment opportunities on an

accelerated rate.

6) Bringing Technological Progress:-
Research and development is associated with the process of industrialization. The development of industries producing capital goods i.e. machines, equipment etc., enables a country to produce a variety of goods in large quantities and at low costs, make for technological progress and change in the outlook of the people. This results in bringing about an industrial civilization or environment for rapid progress which is necessary for any healthy economy.

7) Strengthening the Economy:- Industrialisation of the country can provide the necessary elements for strengthening the economy. In this regard the following points may be noted.

a) Industrialisation makes possible the production of goods like railways, dams, etc. which cannot be imported. These economic infrastructures are essential for the future growth of the economy.

b) It is through the establishment

of industries that one can impart
elasticity to the system and overcome the
historically given position of a primary
producing country. Thus, with industrializa-
-tion we can change the comparative
advantage" of the country to suit its
resources.